

Shawn Curry
ChairpersonDaniel Hopkins
Vice-ChairpersonPaul Swanlund
SecretaryElizabeth Holleb
TreasurerLee Catavu
TrusteeMark Poulos
TrusteeMichael Inman
TrusteePhil Suess
TrusteeBrad Cole
Trustee

**ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND
BOARD OF TRUSTEES REGULAR MEETING MINUTES**

FRIDAY, JUNE 25, 2021 AT 9:00 A.M.

A regular meeting of the Board of Trustees of the Illinois Police Officers' Pension Investment Fund was held through the Zoom digital platform in accordance with Executive Order 2021-11 issued by Governor Pritzker and Public Act 101-0640. Members of the public were invited to participate remotely or in person pursuant to the meeting notice and agenda.

TRUSTEES PRESENT: Shawn Curry
Daniel Hopkins
Paul Swanlund
Elizabeth Holleb
Phil Suess (*Joined at 9:19 a.m.*)
Lee Catavu
Mark Poulos
Brad Cole

TRUSTEES ABSENT: None

OTHERS PRESENT: Richard White, Interim Executive Director
Kent Custer, Chief Investment Officer
Rick Reimer, General Counsel, Reimer Dobrovlny & LaBardi, PC
Taylor Muzzy, Fiduciary Counsel, Jacobs Burns Orlove & Hernandez, LLP
Bukola Bello, Governmental Liaison, Vision M.A.I. Consulting
AJ Weber, Chief Financial Officer, Lauterbach & Amen, LLP
Stephanie Masson, Chief Financial Officer, Lauterbach & Amen, LLP
Megan Holford, Human Resources, Lauterbach & Amen, LLP
Greg Kiesewetter, CIC, Cook Castle Associates, LLC
Allie Rysell, Plan Administrator, Foster & Foster, Inc.
Members of the Public

CALL TO ORDER: Chairperson Curry called the meeting to order at 9:02 a.m.

ROLL CALL: As reflected above.

COMMITTEE REPORTS: *Legislative Committee:* Governmental Liaison Bello reviewed the Legislative Update Report dated June 17, 2021 with the Board. She reviewed a variety of bills that were passed during Spring Session, IPOPIF Bills of Interest, and Legislative Fall Veto Session Dates with the Board. No action was requested at this time. The Legislative Committee will meet on July 2, 2021 and an update will be provided at the July 23, 2021 Board meeting.

Ms. Bello left the meeting at 9:08 a.m.

Audit and Budget Committee – Review/Approve the Budget Administration Policy (PP-2021-01): A memorandum dated June 25, 2021 prepared by Executive Director White regarding the “Budget Administration Policy (PP-2021-01)” was included in the agenda packet for the Board’s review. Executive Director White stated that the Budget Administration Policy (PP-2021-01) was prepared to provide governance policy direction on the process of preparing and adopting the annual fiscal year budget. The Committee voted unanimously to recommend the policy to the full Board for adoption at their June 9, 2021 meeting. Committee Chairperson Holleb requested Board action to adopt the policy. A motion was made by Trustee Holleb and seconded by Trustee Poulos to approve the Budget Administration Policy (PP-2021-01). Motion carried by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Inman, and Cole
NAYS: None
ABSENT: Trustee Suess

Contract Committee: Committee Members Catavu and Hopkins did not have any updates to review with the Board.

Election Committee: There was nothing new to report to the Board.

Governance Committee: Committee Chairperson Poulos informed the Board that he did not have any updates to review with the Board.

EXECUTIVE DIRECTOR’S REPORT: A memorandum dated June 25, 2021 prepared by Executive Director White regarding the “Executive Director’s Report” was included in the agenda packet for the Board’s review. Executive Director White requested Board action on the insurance policy renewals, Lauterbach & Amen’s engagement letter renewal, the FYE 2022 Budget, and a letter of intent to lease the IPOPIF office.

IPOPIF Insurance Policies: Mr. Kiesewetter reviewed the Commercial Insurance Renewal Summary with the Board. The proposed premium of \$61,078 consisted of the following policies for the period of July 1, 2021 through June 30, 2022: Fiduciary Liability Insurance with Hudson Insurance Company in the amount of \$38,393; Management Liability Insurance with Hudson Insurance Company in the amount of \$16,756; Cyber Risk/Security Insurance with Chubb in the amount of \$3,772; Business Owners Insurance with Chubb in the amount of \$917; and Workers’ Compensation Insurance with Chubb in the amount of \$1,240.

Trustee Suess joined the meeting at 9:19 a.m.

Mr. Kiesewetter reviewed all significant changes in coverage, terms and conditions to the proposed insurance policy renewals with the Board. Trustee Cole stated that he is comfortable with the proposed insurance policy renewals and is prepared to vote in favor of approving the insurance policy renewals. He recommended that the Board consider increasing the aggregate limit of liability for the Fiduciary Liability Insurance Policy from \$5,000,000 to \$10,000,000 for the July 1, 2022 renewal due to the conclusion of the transition of assets and increased asset pool under management. He also requested additional information from Mr. Kiesewetter on Chubb’s Cyber Risk Insurance Policy coverage after the meeting concludes.

Trustees Holleb and Hopkins requested additional information on the proposed aggregate limits of liability and inquired if an increase of coverage should be considered sooner. Mr. Kieswetter stated that he initiated several conversations with the incumbent and alternative markets to ensure that the proposed limits of liability renewals will provide appropriate coverage to the Board throughout the transition phase. He added that once the transition is complete, an increase in liability coverage due to the Board's increased exposure should be considered. He noted that the Board has the flexibility to increase coverage throughout the policy period if desired. Trustee Cole stated that he reviewed fiduciary liability insurance coverage for funds with similar asset pools, and the aggregate limit of liability ranged from \$2,000,000 to \$25,000,000. He is comfortable with the proposed coverage for this renewal period and reiterated that the Board should consider an increase in coverage for the July 1, 2022 policy period. A motion was made by Trustee Cole and seconded by Trustee Inman to approve the renewals of Insurance Coverage Policies for the term of July 1, 2021 through June 30, 2022. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Inman, Suess, and Cole
NAYS: None
ABSENT: None

Discussion/Approval – Lauterbach & Amen, LLP Engagement Letter Renewals for Accounting/Payroll Services and Chief Financial Officer Services through June 30, 2022: Executive Director White reviewed a memorandum dated June 25, 2021 regarding the “Executive Director’s Report – Lauterbach & Amen, LLP Engagement Letter” with the Board. The draft engagement letter was reviewed with the Board along with additional language that will be added to the revised engagement letter, as recommended by Attorney Reimer. Trustee Holleb informed the Board that she is satisfied with Lauterbach & Amen’s additional language that was added to clarify the tier structure for fees related to CFO services. She requested clarification from Attorney Reimer regarding his recommended revisions and suggested modifying the verbiage to also reference the June 21, 2021 second addendum. All parties agreed to the revised language. Lauterbach & Amen will work with Attorney Reimer to incorporate revised language into an updated engagement letter. A motion was made by Trustee Holleb and seconded by Trustee Cole to approve the second addendum to Lauterbach & Amen, LLP’s engagement letter dated July 31, 2020 with the additional language as discussed. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Inman, Suess, and Cole
NAYS: None
ABSENT: None

Human Resources – Status Update on IPOPIF Employee Benefits Program: Executive Director White provided a status update on the progress and development of the IPOPIF Employee Benefits Program. He stated that he recently met with National Public Pension Fund Association (NPPFA) representatives to discuss plans currently in place for the Fund and requested Board feedback regarding four plans. Trustee Cole provided input on the 457b and 401a Defined Contribution Plans and reviewed legislation amending the Illinois Municipal Retirement Fund (IMRF) Article of the Illinois Pension Code to permit IPOPIF employees to join IMRF as a defined benefit pension plan. He also reviewed correspondence from Attorney Reimer concerning IMRF participation. Trustee Cole provided clarification on IMRF’s reciprocal agreement regarding Tier 1 IMRF participants. All questions were answered by Attorney

Reimer, Executive Director White, and Trustee Cole. A status update will be provided at a future meeting.

Human Resources – Status Update on the Hiring Process for an Investment Analyst/Officer: CIO Custer provided a status update on the hiring process of an Investment Analyst/Officer. He anticipates that a candidate will be selected soon, with a start date in early August. He is evaluating the need for an additional hire, and a status update will be provided at the next meeting.

Review/Adopt - Fiscal Year 2022 Budget: Executive Director White reviewed a memorandum dated June 25, 2021 regarding the “Fiscal Year 2022 Budget” with the Board. Committee Chairperson Holleb reviewed several language and formatting changes that were incorporated into the revised Budget. A motion was made by Trustee Holleb and seconded by Trustee Inman to adopt Resolution 2021-04 Adopting the Budget for Fiscal Year July 1, 2021 through June 30, 2022. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Inman, Suess, and Cole
NAYS: None
ABSENT: None

Discuss/Approve- Letter of Intent to Lease IPOPIF Office: Executive Director White reviewed a memorandum dated June 25, 2021 regarding the “IPOPIF Office Location and Space” with the Board. Executive Director White stated that an independent real estate appraiser conducted a market rent analysis and his report will be available at the end of the month. He also noted that the retention of a space planner is in process. He reviewed the Letter of Intent (LOI) for the Twin Towers Location in the City of Peoria and recommended Board approval. Trustee Cole reminded the Board that due to a potential conflict of interest, he would be abstaining from discussion and voting on matters related to the selection of an IPOPIF office. Trustees Suess and Holleb raised concerns regarding the execution of an LOI when all of the requested information has not yet been received. The Board discussed the square footage requirements for the IPOPIF office space and the proposed board room space. Executive Director White and Attorney Reimer answered all questions. Chairperson Curry encouraged the Trustees to provide feedback regarding the office space to Executive Director White after the meeting concludes. Further discussion will be held at the next meeting.

Trustee Inman left the meeting at 10:58 a.m.

MEETING MINUTES: *Review/Accept – May 12, 2021 Audit & Budget Committee Meeting Minutes:* The Board reviewed the approved minutes from the May 12, 2021 Audit & Budget Committee meeting. A motion was made by Trustee Holleb and seconded by Trustee Poulos to accept the May 12, 2021 Audit & Budget Committee meeting minutes. Motion carried by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, and Suess
NAYS: None
ABSENT: Trustee Inman
ABSTAIN: Trustee Cole

Review/Approve – May 14, 2021 Board Meeting Minutes: The Trustees reviewed the May 14, 2021 Board meeting minutes. A motion was made by Trustee Holleb and seconded by Trustee Suess to approve the minutes from the May 14, 2021 Board meeting. Motion carried by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Suess, and Cole
NAYS: None
ABSENT: Trustee Inman

Review/Approve – May 28, 2021 Meeting Minutes: The Board will review the May 28, 2021 meeting minutes at the next meeting.

Semi-Annual Review of Closed Session Meeting Minutes: The Board reviewed the Record of Closed Session Meeting Minutes with Attorney Reimer. A motion was made by Trustee Poulos and seconded by Trustee Suess to make the January 8, January 22, February 12, February 26, March 12, March 25, and March 26, 2021 minutes public based on a finding that they no longer need to remain confidential. Motion carried by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Suess, and Cole
NAYS: None
ABSENT: Trustee Inman

A motion was made by Trustee Poulos and seconded by Trustee Swanlund to keep the Litigation Committee's May 28, 2021 closed session minutes confidential due to pending litigation matters. Motion carried by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Suess, and Cole
NAYS: None
ABSENT: Trustee Inman

TREASURER'S REPORT: Treasurer Holleb reviewed her memorandum dated June 18, 2021 regarding the "Treasurer's Report – IPOPIF Board Meeting June 25, 2021" with the Board.

Monthly Financial Report – Review May 2021 Financial Statements: The May 31, 2021 Monthly Financial Report was reviewed with the Board as prepared by Lauterbach & Amen, LLP. The financial activities for the month of May were reviewed along with a comparison against the approved budget. As of May 31, 2021, the fiduciary net position restricted is \$270,028.04. A motion was made by Trustee Holleb and seconded by Trustee Poulos to approve the May 2021 Monthly Financial Report. Motion carried by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Suess, and Cole
NAYS: None
ABSENT: Trustee Inman

Review/Approve – Warrants #26 and #27, Summary of Payments: The Board reviewed Warrants #26 and #27 as prepared by Foster & Foster, Inc. The Board reviewed the Summary of Payments along with all corresponding invoices. The total amount due for the period May 29, 2021 through June 25, 2021 is \$66,495.80 and itemized as follows: Service provider invoices totaling \$67,878.15;

reimbursement requests for Executive Director White and CIO Custer totaling \$2,665.57; and Lake Forest Bank & Trust fees in the amount of \$229.60. A motion was made by Trustee Holleb and seconded by Trustee Suess to approve Warrants #26 and #27. Motion carried by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Suess, and Cole
NAYS: None
ABSENT: Trustee Inman

Review Loan Activity: Treasurer Holleb reviewed the loan activity with the Board. As of May 31, 2021, the Fund has drawn down \$1,200,000 from the Illinois Finance Authority loan for operating purposes. She noted that no draw is anticipated for June, and the next draw will occur in July.

Approval of Vendors and Purchases (If needed): No vendor or purchase approvals were requested. Executive Director White reviewed a comprehensive vendor list that tracks all IPOPIF vendors along with their corresponding contract expiration dates. No Board action was requested.

Other: There were no other items to report to the Board.

INVESTMENTS: *Review/Adopt – Procurement of Investment Services Policy (PP-2021-07):* A memorandum dated June 21, 2021 prepared by CIO Custer regarding the “Investment Services Procurement Policy” was included in the agenda packet for the Board’s review. CIO Custer reviewed the draft Investment Services Procurement Policy with the Board. The proposed policy provides the framework for conducting investment searches and adheres to all investment services procurement provisions of the Illinois Pension Code. Fiduciary Legal Counsel drafted the policy with input from CIO Custer, Executive Director White, and Verus. Trustee Cole requested additional language to Section D-11a to indicate that the selection of an investment consultant shall require a vote of at least six trustees as stated in Section 22B-117 of the Illinois Pension Code. CIO Custer reviewed feedback received from Trustee Suess requesting language changes to Section B-4 to indicate that the Investment Consultant is registered as an investment advisor along with clarification regarding the award of a contract under Section D-11a. All questions were answered by CIO Custer and Attorney Muzzy. A motion was made by Trustee Suess and seconded by Trustee Poulos to adopt the Procurement of Investment Services Policy with the changes that were stated. Motion carried by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Suess, and Cole
NAYS: None
ABSENT: Trustee Inman

Transition Status Report: CIO Custer provided a status update regarding the RFP process for the selection of a Custodian. Staff conducted initial interviews and finalist interviews with the Board are scheduled for July 9, 2021. CIO Custer informed the Board that Verus Advisory, Inc. will present an Investment Education Session at the July 9, 2021 Board meeting. The RFPs for the Transition Manager and Passive Investment Management services are in process and will be reviewed in July. He also provided an update on the development of an accounting structure, the adoption of rules, data collection, and investment strategy timeline.

Other Investment Related Updates: Trustee Suess requested a status update regarding the IPOPIF’s request for the appointment of an authorized representative from each local fund. Executive Director

White indicated that the Administrative Rule was provided via email and mailed to each local fund. Approximately 100 funds have provided the requested information to date. A status update will be provided at a future meeting.

LEGAL COUNSEL'S REPORT: *General Legal Counsel – FOIA Request Updates:* Attorney Reimer reviewed three FOIA requests received along with the responses. All questions were answered by Attorney Reimer.

Fiduciary Legal Counsel: Attorney Muzzy did not have any legal updates to discuss with the Board.

Trustee Cole provided an update to the Board regarding anticipated updates regarding in-person meeting requirements. He stated that Governor Pritzker's Executive Order to allow Boards to meet remotely will expire on June 26, 2021 and he anticipates that the Governor will reissue this order for another 30 days. Trustee Cole noted that if the Executive Order is not reissued, the Board can still meet remotely as long as the Chairperson finds that in-person meetings are not practical nor prudent due to the current pandemic.

CHAIRPERSON'S REPORT: *Closed Session – Performance Evaluation for Richard A. White, Jr., Interim Executive Director:* Attorney Reimer stated that the Board has the authority to enter closed session in accordance with the 5 ILCS 120/2(c)(1) exception. A motion was made by Trustee Poulos and seconded by Trustee Catavu to convene into closed session at 11:38 a.m. in accordance with the 5 ILCS 120/2(c)(1) exception of the Open Meetings Act to discuss the employment and compensation of the Executive Director. Motion carried by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Suess, and Cole
NAYS: None
ABSENT: Trustee Inman

Trustee Inman rejoined the meeting during closed session.

A motion was made by Trustee Swanlund and seconded by Trustee Poulos to return to open session at 12:25 p.m. Motion carried by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Inman, Suess, and Cole
NAYS: None
ABSENT: None

Attorney Reimer stated that the Board met in closed session under the 5ILCS 120-2(c)(1) exception. The closed session was video and audio recorded as required by law and no final action was taken. Attorney Reimer noted that the Board would like to make a motion based on the discussion that was held in closed session. A motion was made by Trustee Poulos and seconded by Trustee Suess to authorize the Chairman and Attorney Hernandez to follow through as discussed in closed session. Motion carried by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Inman, Suess and Cole
NAYS: None
ABSENT: None

PUBLIC COMMENT: There were no comments from the public.

ADJOURNMENT: With no further business to discuss, a motion was made by Trustee Poulos and seconded by Trustee Suess to adjourn the meeting at 12:27 p.m. Motion carried by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Inman, Suess and Cole
NAYS: None
ABSENT: None

Respectfully submitted by:



Allie Rysell, Plan Administrator
Foster & Foster, Inc.

Approved by:



Shawn Curry, Board Chairperson



Paul Swanlund, Board Secretary

Date Approved by the Board of Trustees: August 13, 2021

The next Board meeting of the Illinois Police Officers' Pension Investment Fund will be held on Friday, July 9, 2021 at 9:00 a.m. via the Zoom digital platform in accordance with Governor Pritzker's Executive Order in effect on the date and time of the meeting and Public Act 101-0640.